CLASSIFICATION RESTRICTED
SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT
CD NO.

COUNTRY

Rumania

SUBJECT Poli

Political - People's councils Economic - Finances

HOW

PUBLISHED Daily newspapers

DATE DIST. 27 Oct 1952

1952

WHERE

PUBLISHED

LANGUAGE

Bucharest

NO. OF PAGES 3

DATE OF INFORMATION

DATE

PUBLISHED

5 - 10 Jun 1952

Rumanian

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL CEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 783 AND 784, OF "ME U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE. LATION OF ITS CONTENTS TO ON RECEITS BY AN LIAUTURE TESTON 1250 PERSON 125.

THIS IS UNEVALUATED INFORMATION

SOURCE

STATE

ARMY

Newspapers as indicated.

FINANCES OF RUMANIAN PEOPLE'S COUNCILS

Information from articles discussing the budget and financial reports of people's councils, presented at the annual regiume (region) sessions of the people's councils of the RPR (Rumanian People's Republic, is given below. Considerable criticism was directed at the sessions against financial and executive committees for improper tax to collect tax assessments on time. One article pointed to basic faults in the people's councils as the cause of shortcomings in

Numbers in parentheses refer to appended sources.

The fifth annual regiume sessions of the people's councils of Rumania convened during the first days of June 1952, to analyze the 1951 budget and to adopt a trial budget for 1952. It appeared from the meetings that a good number of the regiumes had achieved satisfactory results in their collection of tax assessments and their accounting of expenditures.(1) A few people's councils of Dol; Regiume, those of Calafat, Bals, and Sadova, were especially commended for achieving 107-113 percent fulfillment of their budget plans.(2)

However, despite some excellent fiscal achievements, the majority of the regiunes reported grave errors. In Bailesti, Brabova, and Caracal in Dolj Regiune improper fiscal management resulted in greater expenditures than allocated by the 1951 budget; in others, only 91 percent of the tax assessments had been collected. In one regiune alone, there were 749 kulaks, 2,000 tradesmen, and 500 home owners who failed to pay any annual taxes, and yet incurred no punishment. Many kulaks like D. Cioculescu from Diosti, V. Atanasiu from Corabia, and D. Prodan from Dabuleni were completely exempt from the payment of taxes, although they had been known as kulaks of long standing in their respective communities.(3)

-1-

STAT



Γ

RESTRICTED

Another grave error committed by the executive committees of regiune and raion people's councils was their failure to utilize the tax assessments properly and their uncalled for exemption of certain kulaks from tax responsibility. Thus, over 4,000 kulaks in the Bucharest Regiune, who ordinarily would have had to pay high taxes because of their kulak standing, were listed as "middle-class peasants" and consequently were able to take advantage of lower tax races. Two examples out of many are those of kulaks Stan Bajenaru in Balarie, owner of 15 yokes of land, and Matei Constantin from Buturugeni, owner of 20 yokes of land, both of whom were incorrectly listed as "middle-class peasants" by the regiune financial committees. In addition, large number of homes were exempted from tax assessments without any just cause

Still another error of the people's councils' financial committees was the failure to account for money received in the treasury of the respective raion and regime committees. In Branesti, Snagov, Racari, Corbii-Mari, Salcuta, Vieru, and Toporu, kulak elements were appointed to high fiscal positions and subsequently sucreeded in embezzling important sums of money from the state budget. Some of these have not been punished even to this date.

Failure to complete allocated projects on time because of lack of funds was yet another shortcoming of the financial committees of the people's counnor fulfilled on time. Thus, the sanatoriums in Mironesti, Corbii Lungi, and Gradineri were not completed on time, and one of these was never completed at all. A series of public works started by the regiume construction enterprises were also not finished at the designated time.(2)

Quite often, the budgets of regiune capitals are purposely sabotaged. Hostile elements seek to hinder the economic and sociocultural development in the Bucharest Regiune by denying allocations of budget funds. For example, Constantin Banu, relative of a kulak, was instrumental in seeing that only 30 percent of the sums originally allocated for school build, gs were made available to the schools. Similarly, in Crevedia Raion no school received any scholarship funds throughout the 1951-1952 school year.(1)

On the whole, the picture throughout many regiunes is unsatisfactory. Many yearly financial reports submitted by the executive committees to the people's councils are grossly inaccurate, showing wide discrepancies between amounts collected and those spent. No semble le of explanation is attempted. However, it is apparent that all of these errors and shortcomings are caused by basic faults in the people's councils; these faults will have to be eradicated.

The most significant fault was the failure of the regiume, commune, and city people's councils to adopt the fiscal plans and party directives issued by the Central Committee. Another fault is the excessive absenteeism of deputees from the people's council meetings, which results in ignorance of party thought and committee decisions.

Still another unacceptable situation is the infiltration of rightist elements in the ranks of the financial committees; these elements disrupt the proper workings of the committees and cause extreme deviation from the party line. Finally, there are committees which fail to train their workers in the complicated problems of fiscal work. All these factors constitute the reason for the unsatisfactory fiscal status of many regiunes in the RPR. It is up to every financial committee in every people's council to reinvestigate its officers and employees, to give them increased financial and economic training, and to insure that party doctrine and committee decisions are followed strictly in every instance.(h)

- 2 -

RESTRICTED

STAT



Sanitized Copy Approved for Release 2011/08/11 : CIA-RDP80-00809A000700090197-3

Γ

RESTRICTED

SOURCES

- 1. Viata Capitalei, 8 Jun 52
- 2. Romania Libera, 10 Jun 52
- 3. Idid., 5 Jun 52
- 4. Viata Capitalei, 6 Jun 52

- E N D -

STAT

- 3 -

RESTRICTED